



Montgomery County

Office of Intergovernmental Relations

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HB 232

DATE: February 21, 2022

SPONSOR: Montgomery County Delegation

ASSIGNED TO: Economic Matters

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POSITION: Support

Montgomery County – Alcoholic Beverages – Class B Beer, Wine, and Liquor (Clubhouse/Lodge) License – Manufacturer's Licenses MC 23-22

House Bill 232 authorizes the holder of a Class B beer, wine, and liquor (Clubhouse/Lodge) license to be issued a Class 4 limited winery license and a Class 7 micro-brewery license. The Class B beer, wine, and liquor (Clubhouse/Lodge) license can be issued by the Board of License Commissioners to the Executive Director of the Montgomery County Revenue Authority (the Authority) or the designee of the Executive Director, for use by a multiuse facility that accommodates a golf course, a restaurant, a clubhouse, a tasting bar, and the catering of events anywhere on the property. This license authorizes the license holder to: (1) sell beer and wine for off-premises consumption; (2) sell beer, wine, and liquor for on-premises consumption; and (3) offer samples of alcoholic beverages at no charge or for a fee.

The Authority was created in 1957. It is an instrumentality of Montgomery County and a public corporation. The Authority's purpose is to construct, improve, maintain, acquire, operate, and finance projects devoted for public use, good, or general welfare.

A Class 4 limited winery license holder is authorized to ferment and bottle wine and distill and bottle pomace brandy from available Maryland agricultural products. These license holders can sell wine and pomace brandy for on- and off-premises consumption. Class 4 limited winery license holders must own or have under contract at least 20 acres of grapes or other fruit in cultivation in the State used to produce wine or ensure that at least 51% of the ingredients used in the annual production of the license holder's wine are grapes or other fruit grown in the State. The Class 4 limited winery license is a manufacturing license issued by the State. A Class 7 micro-brewery license authorizes the license holder to brew and bottle malt beverages in the State. The holder cannot brew or bottle more than 45,000 barrels of malt beverages each calendar year. A Class 7 micro-brewery license is a manufacturing

license issued by the State. Under current law, Class 7 micro-brewery licenses can be issued to other Class B beer, wine, and liquor license holders as well as holders of Class BD beer, wine and liquor licenses, Class D beer and wine licenses, and Class H beer and wine licenses.

House Bill 232 would allow the Authority to produce wine at its Crossvines Project which is located on land adjacent to the Poolesville Golf Course, also owned and operated by the Authority. In addition, the Authority intends to partner with local orchards to produce cider at the same facility. Cider is considered a malt beverage under State law and requires a Class 7 micro-brewery license for production.

The Crossvines Project is a 7,300 square foot custom crush wine facility, vineyard, and an education and events center containing approximately 16,500 square feet, including a banquet area, pre-event space, a multi-purpose room, an à la carte eating area and commercial kitchens. The Authority intends to collaborate with educational institutions to support opportunities in viticulture and enology and hospitality, marketing, and culinary arts programs. This project supports the County's long-range plan for economic and agricultural development, education, and workforce development in the County's agricultural reserve. The project is estimated to bring in \$45 million in economic activity to the State and over \$22 million in activity to the County.

Montgomery County supports House Bill 232 and respectfully requests a favorable Committee report.